

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

01 — 00000000000000000000

2. STATE:

New Jersey

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 1, 2001

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

1902(a)(13) of the Social Security Act

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19D

Page 134.1

\*\*See Remarks

7. FEDERAL BUDGET IMPACT:

a. FFY 2001 \$0

b. FFY 2002 \$0

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

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10. SUBJECT OF AMENDMENT:

Nursing Facility Reimbursement; Transfee of Ownership

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED:

Exempt pursuant to 7.4 of the Plan

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

James W. Smith, Jr.

14. TITLE:

Acting Commissioner

15. DATE SUBMITTED:

16. RETURN TO:

Division of Medical Assistance  
and Health Services  
P.O. Box 712  
Trenton, NJ 08625-0712

17. DATE RECEIVED: [REDACTED]

18. EFFECTIVE DATE: [REDACTED]

19. TYPED NAME: [REDACTED]

20. TITLE: [REDACTED]

21. REMARKS: [REDACTED]

22. REMARKS: [REDACTED]

23. REMARKS: [REDACTED]

### 3.25 Transfer of Ownership

"Transfer of ownership" means, for reimbursement purposes, a change in the majority ownership that does not involve related parties or related entities including but not limited to corporations, partnerships and limited liability companies. "Majority ownership" is defined as an individual or entity that owns more than 50 percent of the entity which is the subject of the transaction.

- (a) The following applies to the transfer of ownership of a nursing facility, as defined in the preceding paragraph:
1. For any facility that transfers ownership, the new owner shall receive a provisional per diem rate for the first year of operation based on the previous owner's per diem rate. After the first full year of operation, a new rate or rates based on actual costs incurred by the facility shall be calculated from the transfer of ownership date through the first prospective rate period.
  2. For any facility that transfers ownership, the maintenance and replacement carryunder or carryover shall not be applicable to the new owner. After a first year of actual costs are incurred by the new owner, a maintenance and replacement carryunder or carryover shall be calculated based on Attachment 4.19-D, Section 3.14 (a) 7i. (Page 117.1).

01-09-MA

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TN 01-09 Approval Date APR 25 2001  
Supersedes TN New Effective Date JAN 01 2001